



CS/HB 207 Impact Fees

- Impact fees are imposed by local governments to fund local infrastructure needed to meet the demands of population growth caused by development.
- **CS/HB 207** prohibits any local government from requiring payment of impact fees any time prior to issuing a building permit.
- The bill codifies the dual rational nexus test, which requires impact fees to bear a rational nexus both to the need for additional capital facilities and to the expenditure of funds collected and the benefits accruing to the new construction.
- The bill requires local governments to designate the funds collected by the impact fees for acquiring, constructing, or improving the capital facilities to benefit the new users.
- Impact fees collected by a local government may not be used to pay existing debt or pay for prior approved projects unless such expenditure has a rational nexus to the impact generated by the new construction.
- The bill delays when impact fees are collected, but it does not affect the amount that may be collected; thus, it does not restrict the amount of revenue local governments may raise nor require they expend additional funds.